

Contact: Brad Berg

UNIVERSITY OF IOWA MASTER LEASE REFINANCINGS

Action Requested: Consider approval of three master lease refinancings as described below for the University of Iowa.

Executive Summary: The Board is asked to consider approval to refinance the outstanding balances of the following master lease financings on behalf of University of Iowa Athletics.

In April 2012, the Board approved the schematic design, project budget (\$36.6 million), and financing plan for the Football Operations Facility – Phase 2 – Construct Football Operations Facility project. The financing plan included a master lease loan agreement of \$30 million. In July 2013, the Executive Director authorized a 10-year master lease financing of \$30 million on behalf of the University of Iowa at a tax-exempt interest rate of 2.48% for the project.

In March 2015, the Board ratified the Executive Director's approval for the University of Iowa to purchase a used, world championship quality, pre-fabricated, portable, indoor banked track. In June 2016, the Executive Director authorized a five-year master lease financing of \$3.2 million on behalf of the University of Iowa at a tax-exempt interest rate of 2.55% for the purchase and installation of the indoor track.

In April 2016, the Board authorized the University to enter into a master lease financing agreement for the purchase and installation of a video display system, control room and sound system equipment. In July 2016, the University agreed to a five-year master lease financing of \$4.5 million at a taxable interest rate of 3.60% for the purchase and installation of the video display and sound systems.

The proposed agreements with MidwestOne Bank total \$11,533,192 (\$10,487,383 at a tax-exempt rate of 2.07% & \$1,045,809 at a taxable rate of 2.46%) and are for a 10-year term. Due to the expected negative financial impact of the pandemic, interest only payments will be made the first two years with principal and interest paid the final eight years.