

Contact: Brad Berg

MASTER LEASE FINANCINGS

Action Requested: Receive the master lease financing report.

Executive Summary: Board policy authorizes the Executive Director to execute lease agreements with a master lease provider on behalf of the Regent institutions. The policy requires master lease financings be reported to the Board at the next available meeting.

Motor Vehicle Fleet Services – University of Iowa

In April 2013, the Board adopted a reimbursement resolution permitting the University of Iowa to be reimbursed from future borrowing for costs incurred for the purchase of motor vehicles. In July 2013, the Executive Director authorized a five-year master lease financing of \$2.45 million on behalf of the University of Iowa with Wells Fargo Bank at a tax-exempt interest rate of 1.69% for the acquisition of motor vehicles.

University Fleet Services is responsible for the purchase and maintenance of the vehicles. Most vehicles are leased to University departments for departmental use, while the remaining vehicles in inventory are rented to faculty and staff traveling on University business.

Kinnick Stadium Scoreboard and Sound System – University of Iowa

In April 2013, the Board authorized the University to enter into a Master Lease financing agreement of not more than \$8 million for the purchase and installation of the video display system, the infrastructure needed for the installation, and the control room and sound system equipment. In July 2013, the Executive Director authorized a five-year master lease financing of \$8 million on behalf of the University of Iowa with Wells Fargo Bank at a taxable interest rate of 2.41% for the project.

Football Operations Facility – University of Iowa

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 not to exceed \$30 million. In July 2013, the Executive Director authorized a ten-year master lease financing of \$30 million on behalf of the University of Iowa with Wells Fargo Bank at a tax-exempt interest rate of 2.48% for the project. Funding for the project and the annual debt service payments will come from operating revenues and private gifts of the Athletics Department. No general University support or increased student fees will be used as a revenue source to finance this project or to fund operating and maintenance costs.