

Contact: Brad Berg

**ABANDONMENT OF THE HILLSIDE COURTS APARTMENT COMPLEX -
UNIVERSITY OF NORTHERN IOWA**

Actions Requested: Consider approval of A Resolution directing the abandonment of the Hillside Courts Apartment Complex at the University of Northern Iowa.

Executive Summary:

The Hillside Courts Apartment Complex is a series of 26 buildings with 227 total apartments on the southeast side of campus. The Complex was constructed in 1970 to create additional married student housing. The Complex is in need of significant costly repairs in order to maintain the units as viable student housing. The building HVAC systems are past their useful lives. The structures will be taken off-line at the conclusion of the Spring 2018 semester. There are a number of serious deficiencies including rotting siding, leaky windows, and crumbling concrete totaling approximately \$27 million in deferred maintenance costs. At its September meeting, the Property and Facilities Committee recommended the Board approve the project description and budget to demolish the Hillside Courts Apartment Complex. The demolition project is included in Agenda Item 6d for Board consideration.

Bond resolutions for the University of Northern Iowa's Dormitory Revenue Bonds require specific approval of the Board of Regents prior to the abandonment of any units in the system. The resolution also includes a determination that the net rents, profits and income of the Residence (Dormitory) System, after abandonment of the facilities, are sufficient to meet the specific financial requirements of the bond covenants. The University seeks permission to remove the Hillside Courts Apartment Complex from the Residence System.

The University has worked closely with the Board of Regents' bond counsel and the Board Office to ensure the removal of the Hillside Courts Apartment Complex is in full compliance with all existing Board of Regents University of Northern Iowa Dormitory Revenue bond covenants. The bond covenants require a certification that the 135% coverage test (net revenues of the System must equal or exceed 135% of the annual debt service on the outstanding bonds) will be met after the requested abandonment.