

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Preliminary Resolution for the Sale of up to \$4,000,000 Student Health Center Revenue Bonds, Series U.N.I. 2004  
**Date:** January 5, 2004

---

**Recommended Action:**

Adopt A Resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$4,000,000 Student Health Center Revenue Bonds, Series U.N.I. 2004.

---

**Executive Summary:**

The Board is asked to adopt a resolution authorizing the Executive Director to fix the date or dates for the sale of up to \$4,000,000 Student Health Center Revenue Bonds, Series U.N.I. 2004.

The Board approved the schematic design and project description and total budget (\$3,500,000) for the Student Health Center Expansion project at its November 2003 meeting.

The calendar year 2004 bond issuance schedule approved by the Board in November 2003 included a bond sale for the project in February 2004.

Principal on the bonds would be repaid over a period of 20 years, with debt service of approximately \$290,000 annually to be paid from net rents, profits, and income derived from the Student Health Center System.

In November 2002, the Board approved a new \$26 per academic year per student Health Facility mandatory fee (effective with the 2003-2004 academic year) to provide funds for the debt service payments for expansion and renovation of the UNI Student Health Center.

Interest on the bonds would be exempt from federal and state taxes (double tax-exempt) for individuals who are Iowa residents and purchase the bonds.

---

**Background:**

Statutory  
Provisions

Under the provisions 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.

The sources of repayment are the income and revenues to be derived from the operation or use of the facility and from any fees or charges implemented by the Board to students for whom the facilities are made available.

Project Background

The University's Health Services programs consist of the Health Clinic, currently located in the Student Health Center, and Counseling Center and Disability Services, currently located in the Student Services Center in Bartlett Hall.

The University reports that the facilities require improvements to respond to increased enrollment, stricter federal medical and accessibility requirements, new trends in health and wellness, and student demand for improved services.

In addition, the University wishes to consolidate the Health Services programs in the Student Health Center to obtain efficiencies among the programs.

The Student Health Center, which consists of 12,658 gross square feet, was built in 1961 to serve a student population approximately one-third of the current number of students on campus, and has received only minor updates since its construction.

In November 2002, the Board approved a new \$26 per academic year per student Health Facility mandatory fee (effective with the 2003-2004 academic year) to provide funds for the debt service payments for expansion and renovation of the facility.

In November 2003, the Board approved an increase in the Health Facility Fee for the summer session from \$7.80 to \$9.75; the fee after the increase represents 75% of the semester amount. (The summer session at UNI is now three fourths of the length of the regular semester.)

Project Scope

The project would construct a two-story addition of approximately 11,594 gross square feet to the Student Health Center, renovate the existing clinic space in the building, and convert office areas currently occupied by the Department of Continuing Education into additional clinic and support space.

The project would also update the existing facility with new infrastructure to meet current required building, accessibility, fire, mechanical, electrical, technological, and other regulatory codes with an emphasis on confidentiality, privacy and security.

The expanded and renovated facility would allow consolidation of the Student Health Center, Counseling Center, and Disability Services in one location to improve student services, and staff and financial efficiencies.

Electronic Bids      The Board, at its November 2001 meeting, adopted a resolution approving electronic bidding procedures.

---

**Analysis:**

Issue Size      The size of the bond issue, which would not exceed \$4,000,000, is estimated to total \$3,875,000 including:

- project costs (estimated at \$3,500,000);
- debt service reserve (estimated at \$292,900);
- bond discount (estimated at \$54,200); and
- issuance costs (estimated at \$27,900).

Outstanding Bonds      There are no outstanding bonds for the Student Health Center; the self-liquidating enterprise would be established with the sale of the bonds.

Sources of Repayment      The bonds would be repaid from the net rents, profits and income received by the Student Health System, including the income derived from previously approved student fees.


Resolution      The resolution authorizing the Executive Director to fix the date or dates for the sale of the bonds, which was prepared by Ahlers Law Firm and reviewed by Springsted, Inc., is available from the Board Office.

The resolution includes a provision permitting the Board to receive bids by means of both sealed and electronic communication; the receipt by electronic communication is consistent with the resolution adopted by the Board in November 2001 approving electronic bidding procedures.

Sale Date      The bond sale and award would be scheduled for the February 2004 Board meeting.

---

  
Joan Racki

Approved:   
Gregory S. Nichols