

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Resolution for the Abandonment of Helser Residence Hall – North Wing  
**Date:** January 8, 2001

**Recommended Action:**

Adopt A Resolution directing the abandonment of the north wing of Helser Dormitory at Iowa State University of Science and Technology.

**(ROLL CALL VOTE)****Executive Summary:**

Bond resolutions for Iowa State University's Residence System require specific approval of the Board of Regents prior to the abandonment of any units in the system. In addition, Regent Procedural Guide §7.11 requires Board approval to dispose of any building with an estimated value of \$1,000 or more.

At its December 2000 meeting, the Board authorized Iowa State University to proceed with planning for the demolition of the north wing of Helser Hall. The University now requests formal approval to demolish this wing which includes 355 beds. Demolition of the wing was included as part of the description and budget for the Union Drive Neighborhood, Suite Building 1 project, which was approved at the December 2000 meeting.

The Board will find and determine, under the resolution which it is being asked to approve, that the age and physical condition of the existing beds are such that their economical operation as a component of the Residence System is not possible. The Board will also determine as part of the resolution that the net rents, profits and income of the Residence System, without the income from the beds to be abandoned, are sufficient to meet the specific financial requirements of the bond covenants.

**Background and Analysis:**

At its December 2000 meeting, the Board approved project descriptions and budgets for Phase 1 of the Union Drive Neighborhood, which includes Suite Building 1 and associated infrastructure, and the Community Center. The demolition of the north end of Helser Hall, which would provide the land area for construction of the Community Center, is a component of the project description and budget for Suite Building 1. The demolition, which is estimated to cost \$216,200, would be funded by Dormitory System Surplus Funds.

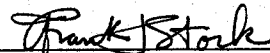
The University has prepared the necessary financial documentation, as required by applicable bond resolutions, to permit abandonment of the beds.

Warren R. Madden, as Chief Financial Officer of the University, has determined that the net income of the Residence System, after taking into account the abandonment of the 355 beds, with adjustments for increases in the rates and the additional facilities being incorporated into the System, will be equal to or greater than 1.35 times the maximum annual amount (as defined in the bond resolutions) to be due in any succeeding year for the payment of principal and interest on all Dormitory Revenue Bonds of the University which are outstanding.

The necessary certification has been included as part of the docket item for the sale of \$21,665,000 Dormitory Revenue Bonds, Series I.S.U. 20001A (ISU B-5) since the proforma financial statements required for the sale of the bonds include the reduction in beds from Helser Hall – North Wing.

Copies of the resolution, which was prepared by Ahlers law firm, are included in the Regent Exhibit Book.

  
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Joan Racki

Approved:   
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Frank J. Stork