

*Governing Iowa's public
universities and special schools*

University of Iowa
Iowa State University
University of Northern Iowa
Iowa School for the Deaf
Iowa Braille and Sight Saving School
Lakeside Laboratory Regents Resource Center
Northwest Iowa Regents Resource Center
Quad-Cities Graduate Center
Southwest Iowa Regents Resource Center



**BOARD OF
REGENTS**
STATE OF IOWA

Bruce L. Rastetter, President, *Alden*
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Subhash C. Sahai, *Webster City*
Hannah M. Walsh, *Spirit Lake*

Robert Donley, Executive Director

July 9, 2014

The Honorable Robert Dvorsky
Co-Chair, Legislative Fiscal Committee
c/o Legislative Services Agency

The Honorable Chuck Soderberg
Co-Chair, Legislative Fiscal Committee
c/o Legislative Services Agency

Re: Lease-Purchase Notifications

Dear Co-Chairs Dvorsky and Soderberg:

As required by Iowa Code §8.46, we are providing notice of the University of Iowa's intent to enter into a lease purchase agreement for the University to purchase and install parking access and a revenue control system consisting of fee computers, ticket dispensers, and gates, subject to approval by the Board of Regents at its August 6, 2014 meeting.

Details of the transaction are on the attached data form.

Sincerely,

Robert Donley

H:\BF\LEASE PURCHASE NOTIFICATION\leasepurchasenotification\lsa070914.doc

Attachment

cc: Holly Lyons, LSA
Robin Madison
Legislative Liaisons
Legislative Log

**LEASE PURCHASE PRIOR NOTIFICATION
(FOR PURCHASES GREATER THAN \$50,000)**

Agency Name	Budget Unit/Fund Name	Budget Unit/Fund No.
Board of Regents, State of Iowa	State University of Iowa	

ACQUISITION INFORMATION

Description of Acquisition: Purchase and Installation of a Parking Access and Revenue Control system and infrastructure needed for installation.		
Type of Acquisition ___ New _X_ Replacement ___ Continuation	Duration of Lease (Mo/Yr) Start:6/20/14 End:6/1/19	Contract Type Master Lease _5_ year term
		Estimated Useful Life ___ years
		Estimated Cost if Purchased Outright: \$4,500,000
General Fund:	\$	
Federal:	\$	Principle: \$4,500,000
Revolving Fund:	\$	
Road Use Tax:	\$	Finance Charge: \$258,123
Primary Road Fund:	\$	
Other: Parking Funds	\$4,758,123	Interest Rate: 2.24%
Total:		

CASH FLOW

	Fiscal Year 15 Cost:	Fiscal Year 16 Cost:	Fiscal Year 17 Cost:	Fiscal Year 18 Cost:	Fiscal Year 19 Cost:	Total Cost
Principle:	823,489	888,508	908,616	929,179	950,208	4,500,000
Interest:	87,527	73,269	53,161	32,598	11,568	258,123
Total:	911,016	961,777	961,777	961,777	961,776	4,758,123
	Fiscal Year Cost:	Fiscal Year Cost:	Fiscal Year Cost:	Fiscal Year Cost:	Fiscal Year Cost:	Total Cost
Principle:						
Interest:						
Total:						

JUSTIFICATION/CONSEQUENCES OF DELAY OR ABANDONMENT

The fee computers, ticket dispensers and gates are part of a revenue control system that has been installed in pieces over the last 20+ years. The current system is aging, difficult to support, and cannot provide a number of modern features such as centralized facility inventory counts, integrated credit card acceptance, web based parking validations, and the ability to accept payments at a walkup or in-lane machine. The new system will reduce the use of cash payments for hourly parking, automate a wide range of transactions, speed up existing transactions and expand the real time information available to patrons and management. It is designed to enhance the capabilities of current live cashiering operations, and improve internal controls and auditing capabilities.

Contact Person: Dave Beney	Title: Business Office Manager, Financial Analysis	Phone Number: 319-335-0301
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The Honorable Chuck Soderberg
Co-Chair, Legislative Fiscal Committee
c/o Legislative Services Agency

Re: Lease-Purchase Notifications

Dear Co-Chairs Dvorsky and Soderberg:

As required by Iowa Code §8.46, we are providing notice of the University of Northern Iowa's intent to enter into a lease purchase agreement for the University to construct a system for Power Plant Air Regulation Compliance, a Power Plant Boiler Wall Panel Replacement, and a Power Plant Storage Facility, subject to approval by the Board of Regents at its August 6, 2014 meeting.

Details of the transaction are on the attached data form.

Sincerely,

Robert Donley

H:\BF\LEASE PURCHASE NOTIFICATION\leasepurchasenotification\lsauni070914.doc
Attachment

cc: Holly Lyons, LSA
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**LEASE PURCHASE PRIOR NOTIFICATION
(FOR PURCHASES GREATER THAN \$50,000)**

Agency Name	Budget Unit/Fund Name	Budget Unit/Fund No.
Board of Regents, State of Iowa F/B/O University of Northern Iowa	University of Northern Iowa-General University	001-615-420-3913

ACQUISITION INFORMATION

Description of Acquisition: The proceeds of a \$5,000,000 Master Lease will be used to fund three Power Plant related construction projects: 1. Power Plant Air Regulation Compliance, \$2,850,000, 2. Power Plant Boiler #3 Wall Panel Replacement, \$1,250,000; and 3. Power Plant Storage Facility, \$900,000			
Type of Acquisition <input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Continuation	Duration of Lease (Mo/Yr) Start: 06/20/2014 End: 06/30/2024	Contract Type Master Lease 10 year term	Estimated Useful Life Project 1 -- 40 years Project 2 -- 30 years Project 3 -- 30 years
		Estimated Cost if Purchased Outright: \$5,000,000	
General Fund:	\$ 5,000,000		
Federal:	\$	Principle: \$5,000,000	
Revolving Fund:	\$		
Road Use Tax:	\$	Finance Charge: \$ 846,704	
Primary Road Fund:	\$		
Other:		Interest Rate: 3.060 %	
Total:	\$ 5,000,000		

CASH FLOW

	Fiscal Year 15 Cost:	Fiscal Year 16 Cost:	Fiscal Year 17 Cost:	Fiscal Year 18 Cost:	Fiscal Year 19 Cost:	Total Cost
Principle:	\$430,658.	\$448,252.	\$462,073.	\$476,321.	\$491,008.	
Interest:	\$154,013.	\$136,419.	\$122,597.	\$108,350.	\$93,663.	
Total:	\$584,670.	\$584,670.	\$584,670.	\$584,670.	\$584,670.	
	Fiscal Year 20 Cost:	Fiscal Year 21 Cost:	Fiscal Year 22 Cost:	Fiscal Year 23 Cost:	Fiscal Year 24 Cost:	Total Cost
Principle:	\$506,147.	\$521,754.	\$537,842.	\$554,426.	\$571,521.	\$5,000,000.
Interest:	\$78,523.	\$62,916.	\$46,829.	\$30,245.	\$13,150.	\$846,704.
Total:	\$584,670.	\$584,670.	\$584,670.	\$584,670.	\$584,670.	\$5,846,704.

JUSTIFICATION/CONSEQUENCES OF DELAY OR ABANDONMENT

Justification: Power Plant Air Regulation Compliance-constructing a dry sorbent injection system to meet Federal emission standards that are effective January 2016. Power Plant Boiler #3 Wall Panel Replacement-boiler will become inoperable if the wall panels are not replaced. Power Plant Storage Facility-fuel stored outside the Power Plant is exposed to the elements, becoming wet or frozen. Fuel must be dried prior to insertion into the conveying system. Constructing a building over the fuel will improve operating efficiency, by eliminating the drying process.

Contact Person: Michael Hager	Title: Vice President for Administration & Financial Services	Phone Number: 319-273-2382
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