

Finance and Facilities Committee



Topics:

- Joint Powers Agreement Approval – Southwest Minnesota State University
- HRA Revenue Bond Refinancing – Itasca Community College

Minnesota State Colleges and Universities

The Minnesota State Colleges and Universities system is an Equal Opportunity employer and educator.

Joint Powers Overview - SMSU

- Supervisory Committee to manage a relationship between SMSU and the Marshall Public School District (Independent School District #413)
- Subject: \$2.88 million upgrade to former Mattke Field
 - Partner with school district
 - Approximately 1/2 paid back through 10 year lease with school district
 - Mostly hardscape and turf surfaces
 - Small equipment building
- Lease agreement with the school district

Joint Powers Agreement

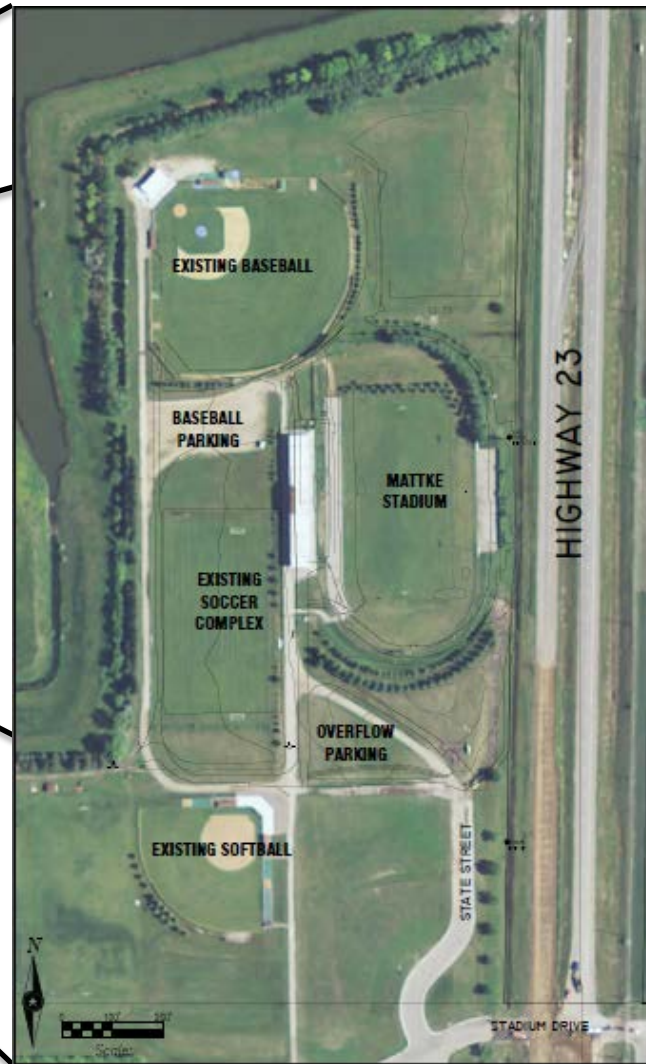
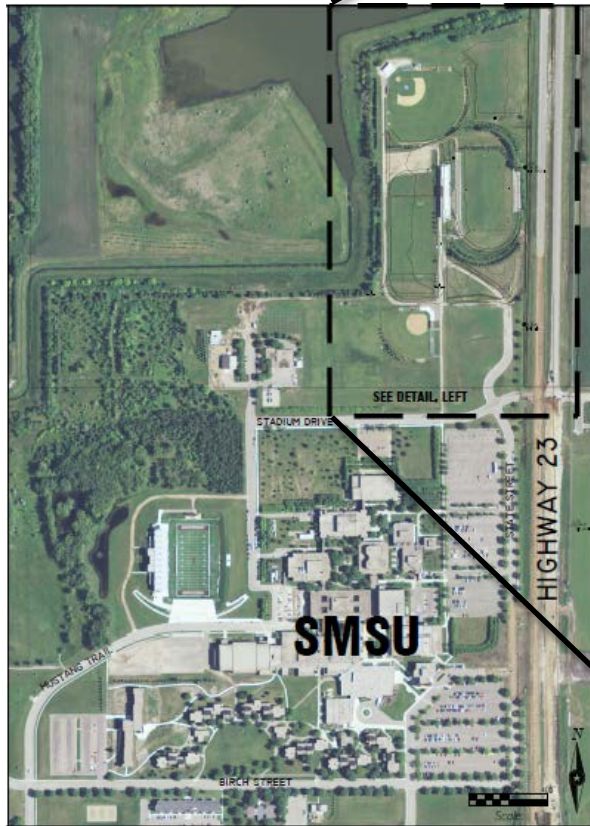
- Facility:
 - Owned and operated by SMSU
- Governance:
 - Supervisory Management Committee
 - Operations, Scheduling, & Maintenance Committee
 - Agreement includes scheduling priorities
- Funding:
 - SMSU Operating Funds / ISD 413 Lease Levy
 - Lease with SMSU over a 10 year period at 2% interest
 - Rental income and a percent of gate income:
 - Capital Contingency and O&M Funds
 - Costs shared, reevaluated annually

Rationale

- Master Plan
- Joint Use Opportunity
 - School District
- Academic Use
 - Physical education, exercise science, and radio/TV courses
- Enrollment
 - Student athletes
- Title IX
 - Add Cross Country and Track and Field
- Past Funding
 - HEAPR funding used to update stadium seating for spectators, replacing planking

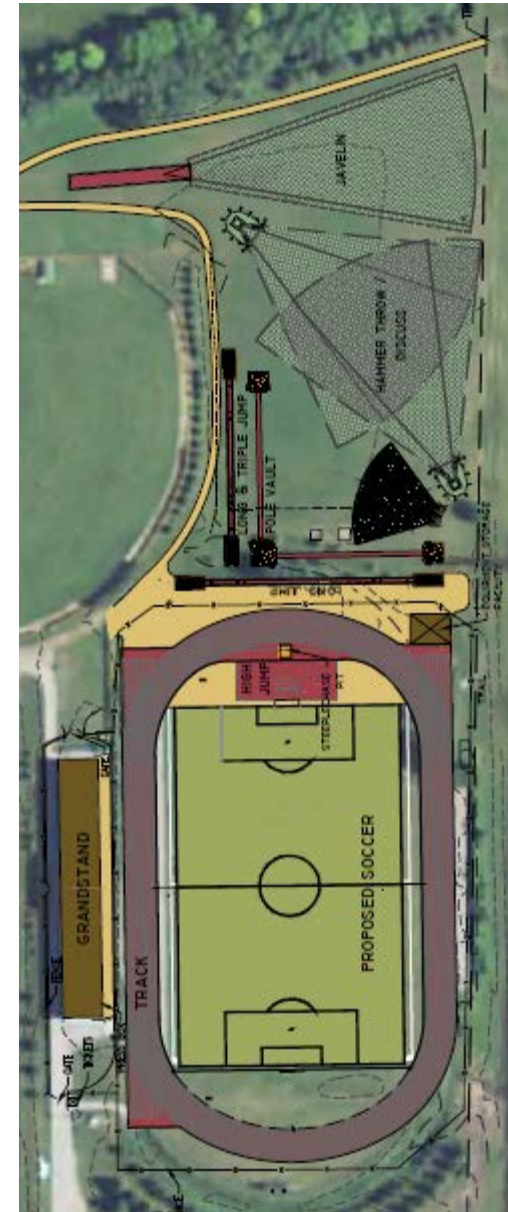
Orientation

Campus View



Proposed Project

- New track
- Football / soccer field turf
- Long / Triple Jump
- Shotput / javelin
- High Jump
- Pole vault
- Small equipment



Milestones

2011

- October Student consultation began
- November Bargaining Unit Meet & Confers

2012

- January HEAPR funding for stadium seating
- April Tuition and Fees meeting with all Students
- April Student Referendum support increased fees for project
- June Board of Trustees approves tuition increase
- August Joint use and funding approved by ISD 413 school board
- November SMSU completes predesign
- December ISD 413 school board certified a lease levy for costs

2013

- January Trustees consideration of Joint Powers Agreement
- Mar – Nov Design and construction

2014

- Spring Operational for events

Recommendation

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

“The Board of Trustees authorizes execution by the chancellor or his designee of a joint powers agreement that establishes a governing structure to finance, construct and manage operations of the upgraded Mattke Field located on the Southwest Minnesota State University campus in Marshall, Minnesota.”

Revenue Bond Refinancing - ICC

Gain Board of Trustees approval for:

1. Itasca County HRA to issue refunding bonds to refinance tax exempt bonds originally issued in 2004 by the HRA for the construction of Itasca Residence Hall, and
2. Grant the chancellor or his designee authority to execute any necessary documents

Note: The college's revenues (housing, cafeteria and bookstore) are the sole pledge for repayment of the bonds.

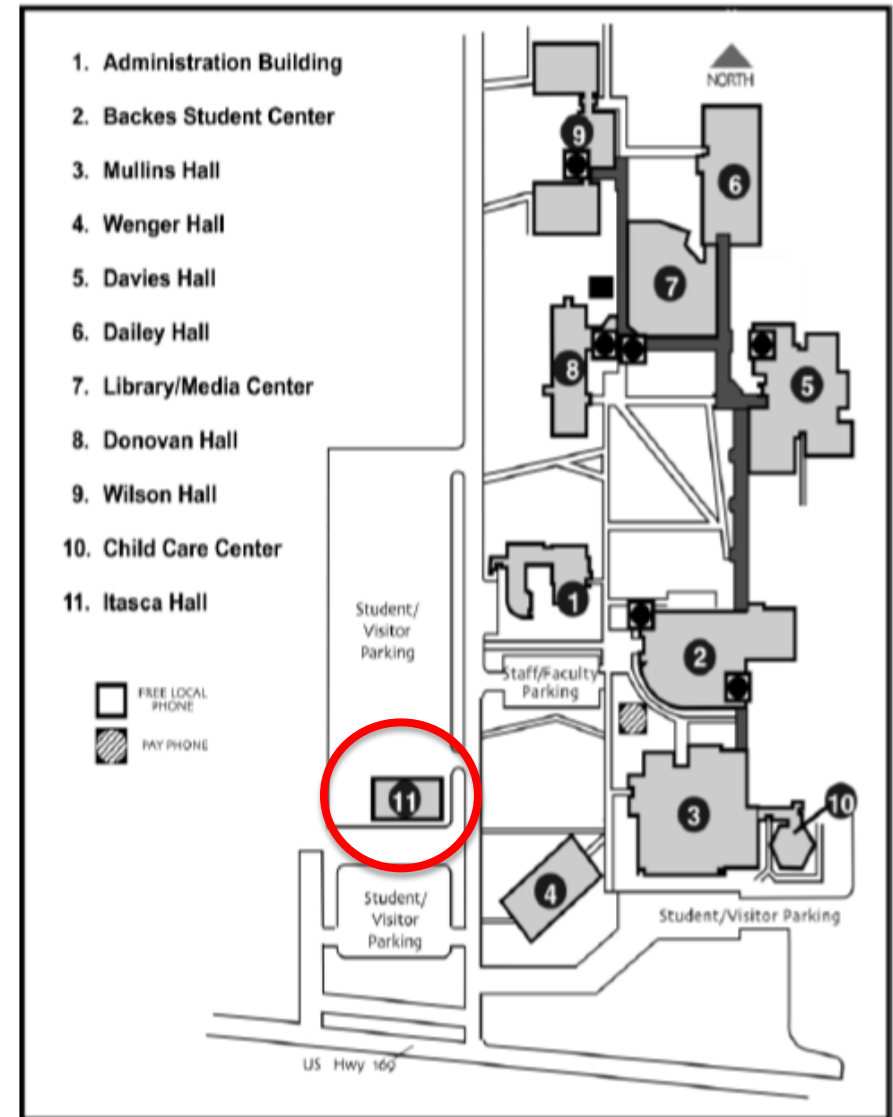
Campus Orientation



Picture of Itasca Hall

Courtesy of Bing

Campus Map



Comparisons

Original Financing (2004)

- Par Amount: \$2,640,000
- Ave. Rate: 5.7%

Proposed Refunding (2013)

- Par Amount: \$1,975,000
- True Interest Cost: 3.5%

- Estimated annual savings: \$34,000
- Remaining term: 13 years

Recommendation

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

*“The draft Resolution attached hereto as **Attachment A**, providing for the issuance of refunding bonds to refund the tax exempt Series 2004 Series, Student Housing Lease Revenue bonds, issued by the Itasca County Housing and Redevelopment Authority.”*