**Lease Purchase RFP - Questions and Responses**

Questions similar in nature have been consolidated.

Could there be more than one awarded firm? Could you provide some commentary on how this program will be managed? Is the intent to award the agreement to one party or multiple parties?

While our intent is not to award to multiple firms, it is possible to award to more than one firm if it is determined that best meets the Board’s needs. Regardless of the number of awardees, the award will NOT be on an exclusive basis, but rather the Board may engage other financial institutions form time to time for a particular lease purchase financing. It is the Board’s intent to establish a base-line master agreement with each financing being a supplement to the master agreement. The supplement will include the terms (amount, rate, term, etc.).

Is it an option to bid on equipment alone excluding real estate?

While the Board is open to receiving a proposal to solely finance equipment, preference will be given to a firm that can meet all lease financing needs.

What is the potential dollar amount for the equipment portion of the RFP? What is the expected equipment spend over the next year? What is the amount/total commitment you are looking for over the 5 years?

The universities have no specific master lease financing plans at this time, however this is subject to change at any time. There is no designated commitment amount as each individual financing will be considered on their own merit as a supplement to the master agreement.

Must awarded firm do business with all three of the Universities listed? Would the Board accept proposals with limited dollars allocated to one of the Universities? Does the existing Master Lease Agreement provide for a right of refusal of specific assets?

Each financing is a supplement to the master agreement and the terms for each transaction must be agreeable by both parties. The Board will have the option to accept or reject any terms offered by a financial institution.

Please provide FY 2021 financials for each university.   
The audit is not yet complete on the SUI’s or ISU’s FY 2021 financials. Unaudited draft financials for them is provided below along with a link to UNI’s annual financial report.

UNI Financials - <https://fo.uni.edu/sites/default/files/2021_acfr_0.pdf>

SUI & ISU Unaudited Draft Financials – see files below



Please describe or provide historical examples of "Real Property” to be leased?

Iowa State University - Cyclone Sports Complex - $12M for 15 years. The Cyclone Sports Complex project provided improved facilities for the women’s soccer and softball, and men’s and women’s outdoor track and field programs. This complex replaced deteriorated facilities at the previous complex and relocated the soccer field. The project provided facility improvements for the athletes and spectators, and expanded facilities for the University’s intramural and sports club programs.

University of Iowa – Football Operations Facility - $30M for 10 years. This facility is adjacent to an indoor practice facility and includes spaces for strength and conditioning, squad meetings, video editing, lockers for players and coaches, coach’s offices and reception/waiting space.

No mortgage liens will be granted on the real property.

In the hypothetical example (2) requested of $15MM-10yr real property, what types of projects should Lessors expect to see?

Equipment, motor vehicles, scoreboards for athletics have been typical in the past. This listing is not exclusive.

Are you anticipating new construction or renovations/tenant improvements to existing facilities? Some high-level commentary would be helpful.

Most likely new property or equipment (as opposed to refinancing of existing indebtedness) is anticipated.

The University of Iowa reports significant capital improvements/new construction is planned for over the next 10 years. Larger projects will likely be bond financed over 20-25 years. Smaller projects may be financed through the master lease program over a 10-15 year period.

Do you have a funding schedule or draw down time table for the property being leased? This will help us understand the potential funding period over the term. Is there a breakdown of what equipment is needed for what projects over the period of leases?

The universities have no specific financing needs at this time. Examples of lease-purchase financings completed in the last ten years have included scoreboards, motor vehicles, parking system technology upgrade, utility power plant improvements, and an indoor track for recreation services.

Can you please confirm the structure of the Lease Facility? Will it be an appropriation obligation, a revenue obligation, or a mixture of the two?

The payments under the lease purchase facility will be either (i) subject to annual appropriation by the Iowa General Assembly, or (ii) financed as one or more self-liquidating facilities or portions thereof as authorized by Iowa Code Section 262.44, et seq., and Section 262.55, et seq.

Can you provide example draft documents for a Master Lease Agreement? If the Board will offer both revenue obligations and appropriation obligations, please provide examples of both documents (if applicable).

The proposed base agreement which describes and authorizes both approaches of financing obligations is attached below.



Can you please confirm that all appropriation obligations are done on an all-or-nothing basis? Will a non-appropriation on one lease payment for one Institution trigger a non-appropriation of all other leases?

Appropriations are done on an annual basis only, so only the annual payment due in a particular fiscal year is what is obligated.

Can you provide a Flow of Funds between the Board, the State of Iowa and the Institutions? More specifically can you provide details on the following:

* How are appropriations determined? Does the Institution submit a budget to the Board and the Board requests appropriations from the General Assembly?

The Board, in coordination with the universities, requests state appropriations from the General Assembly.

* How do appropriated funds flow from the State to each Institution?

Each state appropriations is made to the Board and designated to a specific institution for a certain purpose (e.g. higher education) or special purpose unit (e.g. Veterinary Diagnostic Lab, Hygienic Lab, Economic Development), . The Board distributes the appropriated funds to the institutions in 12 equal monthly installments.

* Does the Board intercept those funds, or do the funds transfer to accounts controlled by each Institution?

See above response

* How does the Board direct the payment of the leases to the Lessor?

The Board approves project budgets, financing plans, and equipment purchases that meet certain parameters. Each university will remit lease payments directly to the Lessor in accord with the agreement.

Can you provide an allocation of the types of equipment or real property to be leased? Does the documentation package contain specific COP-like provisions related to real property?

The current lease purchase structure is not designed for a “certificate of participation” (i.e., “COP”) financing.

Do you anticipate a large portion of the commitment to be allocated towards a specific asset class? Do you anticipate large leases of a specific asset?

At this time, allocations among asset classes are uncertain.

Is the Board permitted to pledge real estate (referencing Statute 262.48)?

No, a mortgage lien cannot be placed on real property owned by the State of Iowa (which includes the Regent institutions).

Can you provide any existing lease agreements between the Board and the Institutions?

There are no lease agreements between the Board and the institutions. Leases under this agreement will be between the Lessor and the Board on behalf of the University as Lessee.

Does the Board have financial statements? If so, please provide them.

The Board does not have financial statements. University financials were provided in an earlier response.