

SOUTHEAST IOWA ECONOMIC AND REGIONAL PORT AUTHORITY  
(SIREPA)

REQUEST FOR PROPOSAL (RFP)

FOR PURCHASE FINANCING OF “KL MEGLA BUILDING”, at 2485 280<sup>th</sup> ST, MONTROSE, IA  
TO ESTABLISH THE LEE COUNTY JOINT EDUCATION CENTER

May 7, 2021

SIREPA seeks proposals to finance the purchase of the “KL Megla Building” at 2485 280<sup>th</sup> St, Montrose, IA for purposes of establishing the Lee County Joint Education Center. The RFP will describe the following:

- Joint Ed Center Concept
- SIREPA background
- Debt service
- Financing needs
- Security
- Proposal details

## A. LEE COUNTY JOINT EDUCATION CENTER CONCEPT

The Lee County Joint Education Center (JEC) is a cooperative effort between Lee County industry, Lee County Economic Development Group (LCEDG), Fort Madison School District, Keokuk School District, Central Lee School District, and Southeastern Community College.

The JEC project would see certain technical and career exploration programs developed and taught at the facility for all three school districts. Southeastern Community College (SCC) plans to implement key roles in curriculum, teaching, center management, linking students to continuing education and facilitating concurrent enrollment courses.

The operation plan has SIREPA owning, operating, and maintaining the building. LCEDG would occupy professional offices under a lease and schools would operate the course curriculum inside the building with their staff.

## B. SIREPA BACKGROUND

The Southeast Iowa Economic and Port Authority (SIREPA) is formed under Chapter 28J, Code of Iowa, and is a tax-exempt municipality of the state. SIREPA was formed in 2006 by Lee County, Fort Madison and Keokuk by approving joint resolutions forming the entity. SIREPA can act as a municipality in all manners except they cannot levy taxes, hold elections or initiate eminent domain proceedings.

SIREPA can own, lease, buy, sell, incur debt, loan, apply police power to its property and other powers of a municipality. SIREPA’s founding members appoint its six-member board, responsible for two members each. The board members serve staggered terms and are empowered to make corporate decisions. Current board roster:

- Chair, Denise Boyer (owner, Hall Towing, Fort Madison Appointment)
- Vice-Chair, Mike Hickey (owner, Hickey Contracting, Keokuk Appointment)

- Secretary/Treasurer, Mike Dunn (senior policy advisor, Steptoe, and past roles in senior-level federal government commodity and credit agencies, Keokuk Appointment)
- Bruce Hardy, board member (retired plant manager of Silgan Containers, Fort Madison)
- Jack Smith, board member (attorney, Keokuk, Lee County Appointment)
- Bob Dodds, board member (Iowa Extension and Outreach executive, retired, Lee County Appointment)

SIREPA is administered by the Southeast Iowa Regional Planning Commission (SEIRPC) under an operating agreement. SEIRPC provides staff support, general administration and accounting services. SEIRPC is one of 17 Councils of Governments in Iowa and serves Lee, Louisa, Des Moines and Henry counties. SEIRPC has functioned as a regional entity since 1973, manages annual direct budgets of approximately \$2.5 million (around \$5 million including pass-throughs) and operates public programs such as Southeast Iowa Bus, regional business revolving loan funds, Great River Housing Trust Fund and Region 16 Transportation Planning Affiliate in addition to consultative, planning and grant writing and administration services. SEIRPC has brought over \$260 million in grants to the southeast Iowa region over its 47-year history.

### C. SIREPA DEBT SERVICE CAPACITY

SIREPA will satisfy debt payments through contributions from other organizations and/or operational revenues. Lee County Economic Development Group (LCEDG). LCEDG has arranged for \$140,000 of upfront operating funds from the following entities: LCEDG, Fort Madison Economic Development Corporation (FMEDC) and Keokuk Economic Development Corporation (KEDC). The LCEDG contribution is in lieu of office lease payments over 5 years.

LCEDG will then concurrently complete a fundraising campaign to Lee County business and industry to satisfy the debt principle over a period of no longer than two years. LCEDG and business and industry partners have given full vocal support to raise funds. LCEDG and SIREPA will execute a fundraising agreement to specify the amount of funds needed and the delivery timing. Participating schools may also satisfy use charges to SIREPA, and those charges could be used to satisfy debt payments.

### D. SIREPA FINANCING NEEDS

SIREPA holds the ability to purchase the KL Megla building through an assignable purchase option from LCEDG for \$1,000,000. Therefore SIREPA requires no less than \$1,000,000 in debt financing plus associated closing costs. Closing costs are estimated at 1% or less of the purchase price. Desired terms:

- Rate: Less than 100 basis points
- Term: 20-year amortization, Interest-only first 24 months
- Fees: None

At 36 months of ownership or before, the principle will be satisfied in full by private fundraising efforts. Single or participation loan proposals will both be accepted.

## E. SECURITY

SIREPA will offer a first mortgage position on the KL Megla building and surrounding 12 acres of land.

## F. PROPOSALS

### 1. Release of Proposals

Proposals for purchase financing of the KL Megla building for purposes of establishing the Lee County Joint Education Center will be released on May 7, 2021, through the following methods:

- RFP on the SIREPA website
- Publication in the Keokuk Daily Gate City, Pen City Current and Fort Madison Daily Democrat linking to SIREPA website
- Direct RFP mailing to Lee County banks.

#### Submitting a Proposal

Proposals shall be received by 5:00pm, May 28, 2021. Proposals can be sent by the following methods:

- Email to [sjones@seirpc.com](mailto:sjones@seirpc.com)
- Snail mail to:  
Executive Assistant  
SEIRPC  
211 N Gear Ave, Suite 100  
West Burlington, IA 52655

Contents shall be sealed (unread) and opened at 8:30am, June 1, 2021 at SEIRPC offices. The successful respondent shall be notified no later than three working days after proposal opening.

## 2. Proposal Contents

The following information shall be included with each submitted proposal

- Finance institution name, contact information
- Agreement to provide the required capital with offered security listed in Section E
- If the proposal is with a single finance institution or more than one (a joint proposal/participation loan)
- The date which capital/closing would be available
- Terms of the financing (Rate, Term, Interest-only term)
- Stated ability to provide the financing under the terms, information and spirit of the RFP

## 3. Proposal Evaluation

SIREPA will evaluate the proposals with the following criteria:

- Lowest interest rate
- Complete response addressing all items in #3 Proposal Contents
- Lee County-chartered banks will be given priority due to the unique circumstances of the JEC, and SIREPA's purpose to serve the entities of Lee County, Fort Madison and Keokuk.

Questions about the proposal may be directed to:

Mike Norris, Executive Director  
Southeast Iowa Regional Planning Commission  
[mnorris@seirpc.com](mailto:mnorris@seirpc.com)  
319-753-4310