



SIREPA

SOUTHEAST IOWA REGIONAL
ECONOMIC & PORT AUTHORITY

April 22, 2021

Meeting of the Board of Directors
2:30pm – 3:30pm

Via Zoom

Call-In: (312) 626-6799 Meeting ID: 822 7209 2023

<https://us02web.zoom.us/j/82272092023>

Agenda

I. Call to Order, Chair (Boyer):

Roll Call:

- a. Director Denise Boyer, Chair
- b. Director Mike Hickey, Vice-Chair
- c. Director Michael Dunn, Treasurer
- d. Director Jack Smith
- e. Director, Bob Dodds
- f. Director, Bruce Hardy
- g. Ex-Officio, Garry Seyb, Lee County Supervisor
- h. Ex-Officio, Rick Larkin, Lee County Supervisor
- i. Ex-Officio, Matt Larson, State Treasurer's Office

II. Consider Approval of Agenda of April 22, 2021 Meeting (Board Action)

III. Consider Approval of Minutes of April 16, 2021 Meeting (Board Action)

IV. Lee County Joint Education Center Due Diligence (Board Action)

V. Matters from the Floor (Discussion or Information)

VI. Consider Adjournment (Board Action)



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Memo

To: SIREPA Board
From: Mike Norris, SEIRPC
Date: April 22, 2021
Re: Joint Education Center Update

BACKGROUND

Efforts to establish a joint Lee County education center for career exploration started around 2016. The process was initiated by Lee County industry. Their need and desire for both additional quantity and quality of workforce provided spark. Project partners include: Lee County Industry, Southeastern Community College, Fort Madison High School, Keokuk High School, Central Lee High School and Lee County Economic Development and potentially, SIREPA.

A joint education center involving three high schools and SCC would provide students the opportunity to learn and explore careers, trades and skills at a higher level than any one school district could provide.

Area industries would also have a more efficient format, both in location and purpose, to interact with students and cultivate career opportunities. Introductory skills would also be connected to further training through matriculation to more rigorous coursework at SCC.

The end result is more skill development, more career development and an overall stronger, more resilient industrial base, workforce and county/communities. Many joint education facilities already exist all over the country. Some are known as magnet schools/career tech schools, or schools that specialize in a particular field(s), course of study or career path.

The Lee County joint ed center would encourage career exploration through a number of avenues: Industrial technology, computer science, advanced manufacturing, soft skills (personal habits and communication) and likely others. Many classes would be dual enrollment with SCC and others would be for high school credit.

STATUS

Work continues on development of the Lee County Joint Education Center. All county school districts and SCC appear to be working closely together now in conjunction with LCEDG to hammer out details on opening the Center in Fall 2022. The school group will be meeting early in the week of April 26-30 to solidify their joint future plans at the center.

A purchase agreement assignable to SIREPA has been executed between LCEDG and KL Megla. The purchase agreement expires in 60 days. It would be desirable for all parties involved for SIREPA to secure financing (backed by initial fundraising/funding agreement with LCEDG) to purchase the facility.

LCEDG has arranged for \$140,000 of upfront funding to satisfy building operational needs for two years.

SIREPA ROLE

Owning the Center is the best project opportunity SIREPA has ever had to fulfill its role in Lee County. It is not without risks, but the risks are relatively low compared to multiple benefits to schools, students, SCC and area businesses.

The worst-case scenario is SIREPA can't satisfy a loan secured from a local bank and goes to foreclosure.

The project partners have approached SIREPA via LCEDG to own and finance the building. The request is squarely because of SIREPA's tax-exempt status which will ultimately result in lower operating costs (property taxes and lower loan interest rate).

Side communications indicate at least one local bank willing to loan SIREPA the funds at extremely low rates. A separate fundraising effort has been promised to take care of the loan principal, leaving SIREPA the facility owner.

However, if SIREPA receives funding to satisfy loan capital, there would be claw-back provisions that put future sale proceeds into a trust for future economic development or educational use. In short, there isn't a path leading to "equity" for SIREPA in this sense (equity isn't the main goal but typically a characteristic of ownership). SIREPA is then purely a conduit to reduce operational expenses for the Joint Ed Center, a primary ability of the organization.

If SIREPA applies for grant funds to purchase and equip the building to EDA or other granting source, "equity" is anything over and above what the grant has

paid for. This puts SIREPA on a more typical ownership footing yet still reliant on outside parties for annual operating expenses.

NEXT STEPS

The Building Subcommittee composed of Jack Smith and Bob Dodds met Wednesday morning to discuss the status of the project and where the status puts SIREPA in its presently requested role of building owner/mortgage holder.

Since there isn't an executed total agreement among the schools yet the next best thing is to keep preparing as if a purchase will happen. The subcommittee also recommended an executive summary plan be prepared. The document would be used to educate board members, inform granting agencies, insurance companies and potential financing sources. In short, provide a written basis for involvement in the center.

Preparation for a future purchase would require at least the following items:

1. Operating budgets: Initial two-year, Full Operation (by May 21)
2. Finance RFP (Completed by May 5, release May 7, Due May 21)
3. Completing requisite inspections (Completed by May 21)
 - A. Roof
 - B. Sprinkler
 - C. Suitability for education (Architect)
4. Agreements for upfront funding with LCEDG (Completed by May 21)
5. Insurance quotes (Completed by May 21)
 - A. Building liability
 - B. Directors and Officers (public officials)
 - C. Umbrella coverage
6. Plan for building transition (by May 21)
 - A. Maintenance
 - B. Utilities
 - C. Access
 - D. Janitorial
 - E. Lease space agreements

The Building Subcommittee recommends the board give authorization to the subcommittee and staff to pursue the above and any other item to prepare for building purchase. The SIREPA board should meet in two weeks then on May 21.