

**ECONOMIC FEASIBILITY OF BOND ISSUE
NATIONAL PARK COMMUNITY COLLEGE**

The National Park Community College, requests approval of the economic feasibility of plans to issue millage based bonds to build new science labs and classrooms, for renovations to the current math/science building, and refunding existing debt.

Refunding the 1998 bonds, constructing new science labs and classrooms, and making renovations to the current math/science building will be funded by a bond issue of approximately \$9.3 million with a 25-year term at an estimated annual interest rate of 4.12%. The National Park Community College Board of Trustees approved this request on September 22, 2004.

Debt service for the bonds will be supported by millage income. Coordinating Board policy regarding debt service for millage backed projects provides that annual millage collected should be no less than 120 percent of the total annual millage debt service.

Relevant data follow:

Projected 2003-04 Millage Income.....	\$ 724,156
Maximum Annual Debt Service (724,156/120%).....	603,463
Existing Debt Service.....	307,255
Debt Service of Refunded Bonds.....	<307,255>
Estimated Debt Service for Proposed Bond Issues.....	603,463
Estimated Millage Income Remaining for Additional Debt Service.....	\$ 0

The above data demonstrate that the National Park Community College has sufficient millage income to support a bond issue of approximately \$9.3 million with a term of 25 years at an estimated annual interest rate of 4.12%.

Agenda Item No. 1

The following resolution is presented for the Board's consideration:

RESOLVED, That the Arkansas Higher Education Coordinating Board considers economically feasible plans for National Park Community College, to issue millage income supported bonds of approximately \$9.3 million with a term of 25 years at an estimated annual interest rate of 4.12% to refund the 1998 bonds and to construct new science labs and classrooms, and make renovations to the current math/science building.

FURTHER RESOLVED, That the Director of the Arkansas Department of Higher Education is authorized to notify the President and the Chair of the Board of Trustees of National Park Community College of the Coordinating Board's resolution.